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HOUSE BILL 292

**48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007**

INTRODUCED BY

Henry 'Kiki' Saavedra

AN ACT

RELATING TO HIGHER EDUCATION; CHANGING PROVISIONS AND  
DISTRIBUTIONS OF THE FACULTY ENDOWMENT FUND.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 21-1-27.1 NMSA 1978 (being Laws 2002,  
Chapter 31, Section 1, as amended by Laws 2003, Chapter 379,  
Section 1 and by Laws 2003, Chapter 392, Section 1) is amended  
to read:

"21-1-27.1. FACULTY ENDOWMENT FUND CREATED.--

A. The "faculty endowment fund" is created in the  
state treasury. The fund shall consist of appropriations,  
income from investment of the fund, gifts, grants, donations  
and bequests. Money in the fund shall not revert at the end of  
any fiscal year.

B. The faculty endowment fund shall be administered

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1 by the ~~[commission on]~~ higher education department. ~~[Except as~~  
2 ~~provided in Subsection J of this section]~~ Money shall be  
3 disbursed only on warrant of the secretary of finance and  
4 administration upon voucher signed by the ~~[executive director~~  
5 ~~of the commission on]~~ secretary of higher education or ~~[his]~~  
6 the secretary's authorized representative.

7 ~~[G. Money shall be disbursed from the faculty~~  
8 ~~endowment fund only to establish endowments for chairs,~~  
9 ~~professorships and faculty development programs at four-year~~  
10 ~~public post-secondary educational institutions as provided in~~  
11 ~~this section. Except as provided in Subsection J of this~~  
12 ~~section, an institution shall not receive a disbursement for an~~  
13 ~~endowment until that institution has notified the commission on~~  
14 ~~higher education that it has received matching funds for the~~  
15 ~~endowment from other than governmental sources in an amount~~  
16 ~~that is equal to or greater than the amount authorized by this~~  
17 ~~section to be disbursed for the endowment.~~

18 ~~D. Except as provided in Subsection J of this~~  
19 ~~section, money in the faculty endowment fund is appropriated to~~  
20 ~~the commission on higher education to be disbursed for the~~  
21 ~~following endowment purposes in the following amounts:~~

22 ~~(1) for endowed chairs, five hundred thousand~~  
23 ~~dollars (\$500,000) for each endowed chair;~~

24 ~~(2) for endowed professorships, two hundred~~  
25 ~~thousand dollars (\$200,000) for each endowed professorship; and~~

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1                   ~~(3) for endowed faculty development programs,~~  
2 ~~to include lectureships, graduate fellowships and other faculty~~  
3 ~~support programs, thirty-seven thousand five hundred dollars~~  
4 ~~(\$37,500) for each endowed faculty development program.~~

5                   ~~E. Except as provided in Subsection J of this~~  
6 ~~section, until June 30, 2005, the following institutions shall~~  
7 ~~be eligible for the following disbursements from the fund:~~

8                   ~~(1) the university of New Mexico for four~~  
9 ~~endowed chairs;~~

10                   ~~(2) New Mexico state university for four~~  
11 ~~endowed chairs;~~

12                   ~~(3) New Mexico institute of mining and~~  
13 ~~technology for two endowed chairs;~~

14                   ~~(4) the university of New Mexico for two~~  
15 ~~endowed chairs at the university of New Mexico medical center;~~  
16 ~~and~~

17                   ~~(5) the university of New Mexico, New Mexico~~  
18 ~~state university, New Mexico highlands university, New Mexico~~  
19 ~~institute of mining and technology, western New Mexico~~  
20 ~~university and eastern New Mexico university for endowed~~  
21 ~~professorships and endowed faculty development programs. The~~  
22 ~~number of endowed professorships and endowed faculty~~  
23 ~~development programs allocated to each of the named~~  
24 ~~institutions shall be in the same ratio to the total number of~~  
25 ~~endowed professorships and endowed faculty development programs~~

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1 ~~allocated to all of the named institutions as the main campus~~  
2 ~~full-time equivalent enrollment of the institution bears to the~~  
3 ~~total main campus full-time equivalent enrollment of all of the~~  
4 ~~named institutions. For purposes of this paragraph, the main~~  
5 ~~campus full-time equivalent enrollment of each institution~~  
6 ~~shall be based on enrollment figures for the second semester of~~  
7 ~~the 2001-2002 school year.~~

8 F. ~~On or after July 1, 2005, money remaining in the~~  
9 ~~faculty endowment fund shall be available for additional~~  
10 ~~disbursements by the commission on higher education to any of~~  
11 ~~the institutions named in this section, subject to receipt of~~  
12 ~~matching funds. Disbursements may be made based on the date~~  
13 ~~requests for additional disbursement are received by the~~  
14 ~~commission.~~

15 G. ~~The endowment funds of the institutions shall~~  
16 ~~not be expended but shall be invested by the institutions in~~  
17 ~~accordance with the prudent man rule, and in accordance with~~  
18 ~~the provisions of Section 21-1-38 NMSA 1978. The income from~~  
19 ~~the investments shall be used by the institutions to provide~~  
20 ~~funding for chairs, professorships and faculty development~~  
21 ~~programs, including paying all or a portion of the salary of~~  
22 ~~the faculty member or the expenses necessary to support~~  
23 ~~associated academic activities.~~

24 H. ~~Except as provided in Subsection J of this~~  
25 ~~section, disbursements of the faculty endowment fund by the~~

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1 ~~commission on higher education shall be allocated as follows:~~

2 ~~(1) fifty percent of the disbursements shall~~  
3 ~~be for endowed chairs;~~

4 ~~(2) thirty-five percent of the disbursements~~  
5 ~~shall be for endowed professorships; and~~

6 ~~(3) fifteen percent of the disbursements shall~~  
7 ~~be for endowed faculty development programs.~~

8 ~~I. If the disbursements allocated for endowed~~  
9 ~~chairs are not sufficient to fund the number of positions~~  
10 ~~specified in Paragraphs (1) through (4) of Subsection E of this~~  
11 ~~section, the number of endowed chairs for each of those four~~  
12 ~~institutions shall be proportioned by the commission on higher~~  
13 ~~education in the same manner as endowed professorships and~~  
14 ~~endowed faculty development programs are proportioned in~~  
15 ~~Paragraph (5) of Subsection E of this section, except that each~~  
16 ~~of the four institutions shall be allocated at least one~~  
17 ~~endowed chair.~~

18 ~~J. Up to three million dollars (\$3,000,000) of~~  
19 ~~the faculty endowment fund may be disbursed after July 1,~~  
20 ~~2003 to the commission on higher education to endow and~~  
21 ~~disburse the money for one endowed chair each to the~~  
22 ~~university of New Mexico, New Mexico state university and the~~  
23 ~~New Mexico institute of mining and technology. Each endowed~~  
24 ~~chair shall be eligible for one million dollars (\$1,000,000)~~  
25 ~~upon notification by the institution that it has received~~

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1 ~~matching funds for the endowment from other than state~~  
2 ~~sources in an amount equal to or greater than five hundred~~  
3 ~~thousand dollars (\$500,000) for establishment of an endowed~~  
4 ~~chair that is directly related to the economic development of~~  
5 ~~the state.]~~

6 C. The governor shall identify priority areas of  
7 interest that merit the recruitment and retention of highly  
8 qualified faculty at any of the four-year public post-  
9 secondary institutions. The faculty endowment fund shall be  
10 used to match private contributions to establish endowments  
11 for chairs, professorships and faculty development programs  
12 in the areas of interest identified by the governor, as  
13 follows:

14 (1) the "governor's chair in (name of  
15 discipline)";

16 (2) the "governor's professorship in (name  
17 of discipline)"; and

18 (3) the governor's distinguished faculty  
19 member in (name of discipline)".

20 D. Matching funds to the four-year public post-  
21 secondary educational institutions for the endowments shall  
22 be:

23 (1) five hundred thousand dollars (\$500,000)  
24 to match private contributions of at least that amount for  
25 each governor's chair;

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